

### **REMARKS**

Claims 2, 4, 36-51 and 63-74 are now pending in this application. Claims 2, 4, 36-52 and 63-75 were rejected. Claims 12-19, 53-62 and 76-94, which were withdrawn, and claims 52 and 75, have been canceled without prejudice to or disclaimer of the subject matter presented therein, and have been presented in related divisional application no. 11/672,701. Claims 36, 43, 51, 63 and 74 are independent.

Save for a minor typographical correction to claim 74 ("," has been changed to --.--), the pending claims have been maintained unchanged.

#### **The Rejection Under 35 U.S.C. § 101**

Claim 52 has been rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Without conceding the propriety of this rejection, and solely in the interests of expediting prosecution, claim 52 has been canceled. Accordingly, this rejection is now moot, and so must be withdrawn.

#### **The Rejection Under 35 U.S.C. § 112**

Claim 52 has been rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter of Applicant's invention.

Without conceding the propriety of this rejection, and solely in the interests of expediting prosecution, claim 52 has been canceled. Accordingly, this rejection is now moot, and so must be withdrawn.

**The Rejections Under**  
**35 U.S.C. § 103(a)**

Claims 2, 4, 36-41, 43-48, 50-52, 63-58 and 70-75 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,405,176 to Toohey in view of U.S. Patent No. 6,332,133 to Takayama. Applicant respectfully traverses this rejection and submits the following arguments in support thereof.

First, it will be appreciated that the cancellation of claims 52 and 75 renders moot the corresponding portions of this rejection.

Turning to the remaining rejected claims, Applicant has the following comments.

As described in claim 36, Applicant's invention concerns an electronic settlement system for setting up a transaction through a communication network. Such a system has a paying terminal which is operated for participating in the transaction, the paying terminal being connectable to the communication network and including an information indicating unit, the paying terminal including an input unit for inputting information regarding the transaction, a virtual register which is connectable to the communication network for participating in the transaction with the paying terminal, and a synchronizing server communicating with the paying terminal and with the virtual register, the synchronizing server setting up link information including transaction ID information in association with the virtual register and transmits the link information to the paying terminal upon receipt by the synchronizing server of the information regarding the transaction transmitted by the paying terminal. The synchronizing server

establishes a synchronization of communication between the paying terminal and virtual register one-to-one upon receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

Applicant's invention, according to claim 43, involves an electronic settlement server system for setting up a transaction through a communication network, which communicates a virtual register for participating in the transaction with a paying terminal including an information indicating unit and an input unit for inputting information regarding the transaction. The system has a communicating section connected to the communicating network and a processing unit for communicating with the paying terminal and with the virtual register through the communicating section, the processing unit setting up link information including transaction ID information in association with the virtual register and transmitting the link information which is indicatable in the information indicating unit of the paying terminal upon receipt of the information regarding the transaction transmitted by the paying terminal, the processing unit establishing a synchronization of communication between the paying terminal and the virtual register one-to-one upon receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

As described in claim 51, this invention also concerns a recording medium which stores a program for a computer, for setting up a transaction through a communication network, which communicates a virtual register for participating in the transaction with a paying terminal including an information indicating unit and an input unit for inputting information regarding the transaction. A communicating module operates the computer to communicate with the virtual register and with the paying terminal through the communicating network, and a processing module serves for communicating with the paying terminal and with the virtual register through

the communicating section, the processing module setting up link information including transaction ID information in association with the virtual register and transmitting the link information which is indicatable in the information indicating unit of the paying terminal upon receipt of the information regarding the transaction transmitted by the paying terminal. The processing module establishes a synchronization of communication between the paying terminal and virtual register one-to-one upon receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

Claim 63 is drawn to an electronic settlement server system for setting up a transaction through a communication network, which communicates with a virtual register for participating in the transaction, a paying terminal having an information indicating unit, and an order-receiving center including an order-receiving unit for receiving the information regarding the transaction through an input unit of a communicating terminal for inputting information regarding the transaction. Here, a communicating section is connected to the communication network and a processing unit sets up link information including transaction ID information in every transaction and transmits the link information which is indicatable in the information indicating unit of the paying terminal, upon receipt of the information regarding the transaction transmitted by the order-receiving unit through the communicating section, the processing unit establishing a synchronization of communication between the paying terminal and the virtual register one-to-one upon receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

Turning to claim 74, this invention also relates to a recording medium which stores a program for a computer, for setting up a transaction through a communication network, which communicates with a virtual register for participating in the transaction, a paying terminal

having an information indicating unit, and an order-receiving center including an order-receiving unit for receiving the information regarding the transaction through an input unit of a communicating terminal for inputting information regarding the transaction. A communicating module operates the computer to communicate with the virtual register and with the paying terminal through the communicating network, and a processing module sets up a link information including transaction ID information in every transaction and transmitting the link information which is indicatable in the information indicating unit of the paying terminal upon receipt of the information regarding the transaction transmitted by the order-receiving unit through the communicating section. The processing module establishes a synchronization of communication between the paying terminal and the virtual register one-to-one upon receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

Toohey merely relates to a system for shopping at an electronic "mall", in which a customer can use a virtual shopping basket to purchase items from more than one merchant at the mall and pay for those items in a single mall checkout event (Office Action, col. 4, lines 19-34). Discussing its invention, Toohey's states:

In accordance with the inventive arrangements multiple store-level electronic shopping carts ["virtual ledgers"] are processed in an E-commerce mall ["mall"]. The concept of the electronic shopping cart is extended to increase processing flexibility for mall participants ["electronic commerce shoppers"] by the creation of an electronic shopping basket for a mall that can contain within it virtual ledgers respectively associated with all stores in the mall. The subject invention enables implementors to process all virtual ledgers at the mall-level without sacrificing the collection of purchase data for each store-level transaction, typically associated with the processing of the virtual ledger at the store-level. This scheme is consistent with modern business processes, such as monetary transactions and inventory tracking, which are dependent

upon the electronic shopping cart paradigm and are triggered upon a store-level checkout. Thus, a particular advantage of the present invention is that electronic commerce shoppers are provided with the convenience of the single payment transaction for all shopping in the virtual mall, and at the same time, the virtual stores can receive data to update respective point of sale systems.

(col. 2, lines 5-26). Neither here nor elsewhere does Toohey mention improving transaction security, much less doing so in the manner now claimed.

The Office Action is in error at page 6, lines 2-3 and last paragraph, insofar as the Office Action contends that Toohey suggest a processing unit that synchronizes in the manner of the claimed invention or just such synchronizing. Nowhere is Toohey concerned with the security of the transaction, or suggest a security scheme, much less the security arranged as claimed in this application. Nor does Toohey suggest establishing synchronized communication between a paying terminal and a virtual register **one-to-one**, as claimed. In fact, even assuming arguendo that Toohey were to teach synchronization, then Toohey at best teaches one-to-many synchronization, since Toohey's single customer is able at one time to makes purchases from multiple merchants.

The Office Action's characterization of synchronizing does not reflect the manner in which the term is used in the specification. As explained at page 16, line 14, through page 17, line 23, synchronizing involves the exchange of information between a cashier terminal and a user terminal in one-to-one-fashion. The information is exchanged without direct communication between the cashier terminal and the user terminal.

Toohey is understood to teach at col. 3, line 36-38 and col. 3, line 57, through col. 4, line 3), that the electronic commerce shopper communicates directly with the store (since the disclosure describes exiting the shop and then later exiting the mall, it is clear the shop and mall

are different). This is contrary to and in no way indicative of the claimed invention, which, through use of the synchronizing server, does not have direct communication between the paying terminal and the virtual register.

Takayama is then cited as remedying Toohey's deficiencies. However, as explained below, Takayama does not suggest the aspects of this invention just shown to distinguish over Toohey. Nor does Takayama suggest use of a transaction ID in the manner claimed.

While Takayama mentions the storage of a transaction number 2616/2620, this still does not suggest the present invention because Takayama's transaction number is not generated or used in the manner claimed. Takayama's transaction number merely serves to "uniquely represent[] a deal with the user, and it is issued by the credit settlement terminal 300 when it generates the payment offer response 609" (col. 71, lines 33-35). For the following reasons, this differs from and does not suggest the present invention.

First, Takayama's credit settlement terminal 300 (Fig. 3) is part of the merchant's business system (Fig. 3), and as such, is comparable to the virtual register of the present invention. So in Takayama the virtual register, not the synchronizing server, identifies the transaction.

Second, Takayama teaches that the transaction number is generated well after purchasing has begun. Takayama, as noted above, states the transaction number is issued at the time of the payment offer response 609. As shown in Fig. 6, this occurs long after the purchase transaction has begun. So Takayama does not suggest transaction ID information as claimed, which is used by the system's synchronizing server to verify that the paying terminal and virtual register are participating in the same transaction prior to the transaction taking place.

Third, Takayama fails to suggest that the paying terminal sends two types of information to the transaction apparatus, namely, the link information and the transaction ID information. At best, Takayama suggests that the transaction number 2616/2620 is recorded by the credit settlement terminal, not to authenticate the purchaser, but merely to identify the transaction (such identification could appear, for example, on the customer's monthly credit card statement). That is, Takayama fails to suggest that the paying terminals sends back to the synchronizing server the transaction ID information and a signal from the paying terminal in response to the link information sent to the paying terminal.

Rather, Takayama's transaction number is simply information kept at the credit settlement terminal, which as noted above is comparable to the virtual register of the present invention. In this regard, it should be noted that (1) Takayama's transaction number 2616 is part of sales list 2509, (2) sales list 2509 is part of the data management information 2505, (3) data management information 2505 is part of RAM 2402, and (4) RAM 2402 is part of the credit settlement terminal 300 (Figs. 24A-26; col. 66, lines 40-49; col. 70, line 46, through col. 71, line 40).

The differences between how Takayama and the present invention provide transaction numbers is important. The claimed invention offers greater security, since the transaction number is generated by the synchronizing server. In contrast, Takayama generates the transaction ID at the credit settlement device/virtual register, which it will be appreciated could be less secure.

Applicant therefore respectfully submits that neither Toohey nor Takayama, nor the combination thereof, suggests at least the aspects of the claimed invention relating to the synchronizing server, and, in particular, the setting up of link information, and the establishing of a synchronization of communication between the paying terminal and the virtual register in one-



to-one fashion upon the receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

This rejection also is respectfully traversed on grounds it is deficient for failing to refer to the invention as claimed. The Office Action only discusses the invention very generally and does not focus on the features specifically recited in the claims. Although this application contains five pending independent claims, the Office Action, by way of example, merely states "Toohey" teaches a system and method of synchronizing an electronic commerce shopper's purchase..." (Office Action, pg. 4, section 3), and then refers only to "a communicating section connected to the communicating network", "a processing unit for communicating with said paying terminal and with said virtual register...", "cashier server", "databases" and "communication addresses".<sup>1</sup>

Such a rejection under 35 U.S.C. § 103(a) is defective because it fails to address the invention **as claimed**, and therefore fails to comply with M.P.E.P. § 706.02(j), entitled "Contents of a 35 U.S.C. 103 Rejection". M.P.E.P. § 706.02(j) states in part that:

35 U.S.C. 103 authorizes a rejection where, to meet the claim, it is necessary to modify a single reference or to combine it with one or more other references. After indicating that the rejection is under 35 U.S.C. 103, the examiner should set forth in the Office action:

\* \* \*

**(B) the difference or differences in the claim** over the applied reference(s),

To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge

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<sup>1</sup> Applicant's position is that the invention only is defined by the claims, and that any characterization otherwise by the Office Action is gratuitous, not binding, and not entitled to any weight.

generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) **must teach or suggest all the claim limitations**. The teaching or suggestion to make the **claimed combination** and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. In re Vaec, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

(Emphasis added).

This deficiency of the Office Action is clear upon comparison of the characterization of the independent claims in the Office Action to the preambles and general features recited in the independent claims, which are paraphrased as follows:

Claim 36

An electronic settlement system (having)  
a paying terminal;  
a virtual register;  
a synchronizing server

Claim 43

An electronic settlement server system (having)  
a communicating section  
connected to the communicating network; and  
a processing unit

Claim 51

A recording medium (having)  
a communicating module ; and  
a processing module

Claim 63

An electronic settlement server system (having)  
a communicating section ; and  
a processing unit

Claim 74

A recording medium (having)  
a communicating module ; and  
a processing module

So for this reason as well, the rejection under 35 U.S.C. § 103(a) is not well-taken.

For all the foregoing reasons, favorable reconsideration and withdrawal of this rejection are respectfully requested.

Claims 42, 49 and 69 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Toohey in view of Takayama as applied to claims 36, 43 and 63, and further in view of what the Office Action characterized as "Official Notice" regarding what is allegedly old and well-known in the art. Specifically, the Office Action contends it is old and well-known for merchants to provide a consumer with a catalog reference number (i.e., printed on the catalog) or to identify to a consumer a reference number associated with a particular promotion or advertisement for the purpose of tracking merchant sales activities and/or to offer purchasing incentives associated with the reference number as a consequence of a purchasing transaction. Applicant respectfully traverses this rejection and submits the following arguments in support thereof.

Claims 42, 49 and 69 respectively depend from claims 36, 43 and 63, and so incorporate by reference all the features of those claims, including the features which have just been shown to avoid Toohey and Takayama.

Even assuming arguendo that the Office Action is correct, and the Official Notice subject matter is indeed known, that Official Notice subject matter still fails to even suggest the aspects of the claimed invention previously shown to avoid Toohey and Takayama.

Consequently, the combination of Toohey, Takayama and the Official Notice subject matter suffers from the same deficiencies as Toohey and Takayama alone. Claims 42, 49 and 69 therefore patentably distinguish over the combination of these references for at least the

same reasons that claims 36, 43 and 63 avoid Toohey and Takayama, which reasons have been set forth above.

Accordingly, favorable reconsideration and withdrawal of this rejection are respectfully requested.

### **CONCLUSION**

Applicant respectfully submits that all outstanding rejections either have been rendered moot or are overcome. Applicant further submits that all claims pending in this application are patentable over the prior art. Accordingly, favorable reconsideration and withdrawal of those rejections are respectfully requested.

No fees are believed to be due in connection with the filing of this Amendment. If, however, the Commissioner deem any fees to be now or hereafter due, the Commissioner is authorized to charge all such fees to Deposit Account No. 19-4709.

In the event that there are any questions, or should additional information be required, please contact Applicant's attorney at the number listed below.

Respectfully submitted,

/David L. Schaeffer/

David L. Schaeffer  
Registration No. 32,716  
Attorney for Applicant  
Stroock & Stroock & Lavan LLP  
180 Maiden Lane  
New York, New York 10038  
(212) 806-6677